

SIXTEENTH CONFERENCE OF SYSTEM SUPERINTENDENTS AND MANAGERS

OUR JOB

Saturday, March 29, 1941 Harry Slattery, Administrator 11:20 - 12:00 a.m.

- I. YOUR HOME IN THE NEW REA HEADQUARTERS
- II. THIS IS YOUR CONFERENCE
- III. WHERE YOUR STATES STAND
- IV. THE NATIONAL REA PROGRAM
- V. EVERY REA SYSTEM MUST SUCCEED
- VI. WHERE WE CAME FROM
- VII. FINANCIAL RECORDS OF ALL REA SYSTEMS
- VIII. THE JOB THAT LIES AHEAD
- IX. AMERICA TAKES NO BACK SEAT TO EUROPE
- X. AGRICULTURE AND REA COOPERATE TO DO THE JOB
- XI. REA - A NATIONAL DEFENSE AGENCY
- XII. "RURAL AMERICA LIGHTS UP"
- XIII. HIGH IDEALS IN COOPERATIVE SYSTEM MANAGEMENT
- XIV. WE WANT YOUR COMMENTS AND SUGGESTIONS

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## SIXTEENTH CONFERENCE OF SYSTEM SUPERINTENDENTS AND MANAGERS

### OUR JOB

Saturday, March 29, 1941 Harry Slattery, Administrator 11:20 - 12:00 a.m.

#### I. YOUR HOME IN THE NEW REA HEADQUARTERS

One of the most gratifying features of the last Conference of System Superintendents and Managers in Washington was the fine feeling of being at home experienced by all of us here in our new REA headquarters. It was a real pleasure and convenience to be together under one roof. I hope that all of you have felt equally comfortable in your new REA home during the important Conference week we are now concluding.

#### II. THIS IS YOUR CONFERENCE

The free and democratic manner in which we have been conducting these Conferences has won the approval of all the superintendents and managers who have attended. We want to create an atmosphere of friendly understanding through the method of discussing our common problems. We all realize that if we understand each other clearly, we are well on the road towards a solution of our problems. I hope that you have regarded this conference as your conference and participated freely by questions or discussions in all matters that concerned you.

# SIXTEENTH CONFERENCE OF SYSTEM SUPERINTENDENTS AND MANAGERS

OUR JOB

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## I. YOUR HOME IN THE NEW REA HEADQUARTERS

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### III. WHERE YOUR STATES STAND

As all of you know, the REA program is moving along rapidly.

This Conference consists of designated representatives from the States of Arkansas, Louisiana, Missouri and Oklahoma. I am sure you will be interested in knowing that under present plans, these states will serve nearly 175 thousand members, almost 57 thousand miles of distribution lines, at a total cost of approximately 56 million dollars. If we take the usual

farm figures of 5 to a family, this means that there are represented in this region, 875 thousand persons. (See information on Blackboard - Column "A")

III. WHERE YOUR STATES STAND

As all of you know, the REA program is moving along rapidly.

This Conference consists of designated representatives from the States of Arkansas, Louisiana, Missouri and Oklahoma. I am sure you will be interested in knowing that under present plans, these states will serve nearly 100 thousand customers, almost 25 thousand miles of distribution lines, at a total cost of approximately \$6 million dollars. If we have the usual

farm family of 5 to a family, this means that there are represented in this region, 500 thousand persons. (See information on Blackboard) -  
Column "A")



#### IV. THE NATIONAL REA PROGRAM

Few of us realize how big the REA program really is until we look at the figures today. Truly, it is a great national program. Approximately 360 million dollars are to be invested in nearly 700 REA systems with nearly 350 thousand miles of distribution lines to serve over one million members. If we take the average farm family of 5 to the farm family, this means that approximately 5 million people of rural America will be provided with electric service. (See information on Blackboard - Column "B") However, this is not all. At the present rate of growth

we will have around one thousand systems in practically all states before the year is over. You can readily see from this that Region 8, along with other parts of the country, is playing a significant role in this vital national rural electrification program.

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look at the figures today. Truly, it is a great national program.

Approximately 500 million dollars are to be invested in nearly 700,000

systems with nearly 350 thousand miles of distribution lines to serve over

one million members. If we take the average farm family of 5 to the farm

family, this means that approximately 2 million people of rural America

will be provided with electric service. (See information on Blackboard

Column "B") However, this is not all. At the present rate of growth

we will have around one thousand systems in practically all states before

the year is over. You can readily see from this that Region 3, along with

other parts of the country, is playing a significant role in this vital

national rural electrification program.



## V. EVERY REA SYSTEM MUST SUCCEED

The Congress of the United States gave the REA a mandate. It was to provide central station electric service for the residents of rural America not now receiving it. Congress also gave REA a further obligation of seeing that all loans therefor are fully repaid. This shows the necessity of making every REA system succeed. There is one good way to do it. That is by providing all of you with the best technical operating experience that we have gained from the successful management of all other REA systems throughout the United States. That is the purpose of the interchange of information in such a conference as this.

## VI. WHERE WE CAME FROM

In 1935 when the REA was born, they said it could not be done. All of you know the facts. We actually did it. In 1935, about one farm in ten had high line electric service. Today, nearly 3 farms in 10 have such service. I believe you will agree that this represents a remarkable accomplishment in the face of overwhelming opposition and odds.

V. THE SYSTEM MUST SUCCEED

The Congress of the United States gave the REA a mandate to provide central station electric service for the benefit of the people. Another act gave REA a further obligation of seeing that all loans therefor are fully repaid. This shows the necessity of making every REA system succeed. There is one way to do it. That is by providing all of you with the best technical operating experience that we have gained from the successful management of all other REA systems throughout the United States. That is the purpose of the interchange of information in such a conference as this.

VI. WHERE WE CAME FROM

In 1918 when the REA was born, they said it would not be long before all of you knew the facts. We actually did it. In 1922, at the time in our first three electric services today, nearly 3 years it took to reach such service. I believe you will agree that this represents a record accomplishment in the face of overwhelming opposition and odds.



## VII. FINANCIAL RECORDS OF ALL REA SYSTEMS

Even more remarkable than this program, is the financial success of practically all REA systems. We have recently compiled a financial analysis entitled: "Financial and Operating Statistics of all Systems to Which REA Had Made Allotments as of September 30, 1940." The whole factual record is here. A copy of this report is being sent to each REA system, including all that are represented here. Perhaps its most significant aspect is Table No. 5, which shows the interest and principal due, and the amount overdue.

I wish you would glance at these remarkable figures on the blackboard: You will note that the total interest due to the REA under system loans was \$3,031,141.38. However, the amount actually paid to REA was \$3,260,678.40. In other words, \$229,537.02 more was paid in interest than was actually due.

The same is true of principal due the REA on loans. The amount actually paid was \$3,052,563.63. The amount due was \$2,401,838.65. In other words, \$650,724.98 more of principal was paid to REA than was actually due.

VII. FINANCIAL RECORDS OF ALL REA SYSTEMS

Even more remarkable than this program, is the financial success

of production of REA systems. We have recently compiled a financial

analysis entitled: "Financial and Operating Statistics of all Systems to

Which REA Has Made Allocations as of December 30, 1960." The whole factual

record is here. A copy of this record is being sent to each REA system,

including all that are represented here. Perhaps the most significant

aspect is Table No. 2, which shows the interest and principal due, and the

amount overdue.

I wish you would place at those remarkable figures on the

blackboard. You will note that the total interest due to the REA system

system loans was \$7,051,141.58. However, the amount actually paid to REA

was \$5,450,767.40. In other words, \$1,599,374.18 more was paid in interest

than was actually due.

The same is true of principal due the REA on loans. The amount

actually paid was \$5,052,563.65. The amount due was \$3,451,858.65. In

other words, \$1,599,704.99 more of principal was paid to REA than was actually

due.



So that when we find that \$40,035 of interest and \$81,473.99 of principal, or a total of \$121,508.99, was overdue on a few systems, this small sum is more than offset by the substantially greater amount of \$880,262.00 that was paid in interest and principal before actually due. Here is a financial record of all REA operating systems of which every superintendent and manager might well be proud.

#### VIII. THE JOB THAT LIES AHEAD

I just stated that nearly 3 families in 10 now have high-line service. That means that roughly 72% do not have it now. Our job is to see that the maximum number of these rural residents are reached wherever it is at all economically feasible to do so. You know as well as I that is going to be a tough job as we are going into thinner and thinner territory.

So that when we find that \$40,000 of interest and \$21,400 of

principal, or a total of \$61,400, was overdue on a few systems, this

small sum is more than offset by the substantially greater amount of

\$280,000 that was paid in interest and principal before maturity due

there is a financial record of all the operating systems of which every

superintendent and manager might well be proud.

#### VIII. THE JOB THAT LIES AHEAD

I just stated that nearly 5 families in 10 now have high-line

service. That means that roughly 75% do not have it now. Our job in the

see that the maximum number of these rural residents are reached wherever

it is at all economically feasible to do so. You know as well as I that

is going to be a tough job as we are going into thinner and thinner

territory.



## IX. AMERICA TAKES NO BACK SEAT TO EUROPE

Is it possible for this modern United States to reach larger and larger numbers of these unserved residents of rural America? Certainly, all of you will agree that the United States, the most highly industrialized nation in the world, can do as well as some of the older European countries, if we really want to do this job. Just look at the figures for European countries before the beginning of the present World War on the percent of rural residents obtaining central station electric service. (See information on Blackboard - Column "C")

### "PERCENTAGE OF RURAL RESIDENTS OF OTHER NATIONS RECEIVING ELECTRICITY"

Norway	-	over 55%
Sweden	-	65%
Denmark	-	over 85%
Japan	-	90%
New Zealand	-	over two-thirds
France	-	over 90%
Holland	-	practically 100%

Is it possible for this modern United States to reach farther and farther numbers of these unswayed residents of rural America? Certainly, all of you will agree that the United States, the most highly industrialized nation in the world, can do as well as some of the other European countries. If we really want to do this job, just look at the figures for European countries before the beginning of the present World War on the percent of rural population having electric service. (See information in Handbook - Volume "C")

PERCENTAGE OF RURAL RESIDENTS IN OTHER NATIONS RECEIVING ELECTRICITY

Norway	- over 95%
Sweden	- 84%
Denmark	- over 80%
Japan	- 60%
New Zealand	- over two-thirds
France	- over 50%
Holland	- practically 100%



X. AGRICULTURE AND REA COOPERATE TO DO THE JOB

You superintendents and managers from rural areas know the real possibilities of rural electrification on the farm. Truly, we have scarcely begun to do the job. Now, with our integration with the Department of Agriculture, we will be able to develop a well-rounded conception of rural electrification for sound agriculture that will constantly keep in mind the welfare of the farmer and rural residents. Whether it is eliminating back-breaking drudgery, or creating a better way of raising

existing crops, or new agricultural processes to increase farm income, its end is to benefit the farmer and his family. We want to increase their standards of living to a higher level where they can enjoy the true benefits of American democracy. Such a well-rounded program with Agriculture not only promotes a sound program of rural electrification, but it places agriculture and farm living on a more secure basis as well.

## W. AGRICULTURE AND RURAL COOPERATION TO DO THE JOB

You superintendents and managers from rural areas know the need

possibilities of rural electrification on the farm. Truly, we have  
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Agriculture not only promotes a sound program of rural electrification,  
but it gives agriculture and farm living a more secure basis as well.



## XI. REA - A NATIONAL DEFENSE AGENCY

As you have seen in the REA News from time to time, REA systems are now taking a direct part in the National Defense Program. Sometimes you are supplying power to the airways or the Army camps. Again, it may be electric energy for manufacturing parts for shells or power for industries. The significant fact is that the vital role of REA in our Defense system was recognized immediately and we have been officially designated as a National Defense Agency. All of us can thus be proud to know that all REA systems are an integral part of our National Defense.

In this regard I can do no better than to read the fine remarks of our Secretary of Agriculture Claude R. Wickard who paid a tribute to what you and the other REA systems are doing in these words:

"Hundreds of REA cooperatives already operating, with more organizing every month, are taking electric energy into the open country. Thus, the first essential for the operation of decentralized industry--a power supply--is being provided."

We know of the devastation of the large industrial sections of Europe during the present World War. You can readily recognize the extreme value of these encouraging remarks by Secretary Wickard on decentralized industry. They disclose that an appropriate power supply is an indispensable part of any sound program of National Defense.



In this connection, the words of Chester C. Davis, Agricultural Commissioner associated with the Council of National Defense, are highly significant:

" . . . . . We are striving for the maximum possible decentralization of new defense industries not only because it is sound

practice for the country as a whole but because of its importance to agriculture. Decentralized industry brought close to rural areas means jobs for low-income farmers and a diversified new market for farm products . . . . ."



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of production of new defense industries not only because it is sound

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agriculture. Industrial production is not only a source of income  
for low-income farmers and a diversified new market for farm  
products.

## XII. "RURAL AMERICA LIGHTS UP"

Your role as well as that of all other REA systems in the national rural electrification scene are set forth in an informative little volume which we have prepared, called "Rural America Lights Up." We must know the facts if we would continue the present successful operation of our REA systems. Here in a short 142-page volume we have the whole story of rural electrification.

It contains invaluable facts all of us should understand. It is written in a way that will appeal to all of you. I believe it would be extremely profitable if all of your personnel, board members, and every member on your system would read this challenging little volume.

## XIII. HIGH IDEALS IN COOPERATIVE SYSTEM MANAGEMENT

One of the fine things about these conferences is that it gives all of you a chance to come face to face with the REA staff and talk over your common problems. As I meet the various superintendents and managers who operate our REA systems, I am keenly aware of the fact that a fine addition has been made to our public service. You are unselfishly devoted to these fine cooperative, non-profit ideals. They will undoubtedly serve as a fine standard for all others in your community to follow.





In order to make every REA system succeed, we need to cultivate these lofty standards of public service. As we develop them, in that proportion will we succeed. I am gratified to meet all of you and know that as long as such splendid public service continues, REA systems will always remain in safe hands.

#### XIV. WE WANT YOUR COMMENTS AND SUGGESTIONS

Each one of these Conferences is a school to the REA as well as to yourselves. The interchange of information enables us to keep abreast of your problems at the same time that you keep abreast of ours. It is a clear, democratic instance of give and take.

We know that you have many helpful comments, suggestions and constructive criticism. Let's have them. "Let your hair down," to use the old expression and be frank with us. In that way all of us will be accurately and clearly informed.

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